**Guide**

**for the identification,**

**selection and implementation**

**of strategic projects**

**under IPA II CBC**

Version of 18 August 2017

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# 1. PURPOSE

In a brief and practical manner, this guide seeks to help the Operating Structures (OSs) and the Joint Monitoring Committees (JMCs) to become aware about the chances of funding strategic projects under the cross-border cooperation (CBC) programmes between two or more beneficiary countries in the framework of the instrument of pre-accession assistance (IPA II, 2014-2020).

More specifically this guide will serve as a reference source to the OSs and the JMCs, while identifying, selecting and implementing strategic projects. Therefore, the guide

* explains the legal background enabling the undertaking of this type of projects,
* takes stock of the lessons learnt from their implementation under the 2007-2013 IPA CBC programmes,
* proposes a method for their identification,
* discusses the alternatives for their selection,
* elaborates on what is required for procuring services, supplies and works as fundamental tender documents for the implementation of these projects, and finally
* proposes a proper monitoring set-up in order to verify the delivery of outputs and achievement of outcomes.

Following an assessment on the strategic projects implemented under the 2007-2013 CBC financial cycle, the guide singles out some crucial findings and provides some recommendations. This is meant to help the OSs, as well as other relevant programme bodies, to design and/or improve their own communication and support tools in a way that would ease the future generation of strategic projects.

# 2. LEGAL BACKGROUND

Although Article 70(2) of the Framework Agreement (FWA) for the implementation of 2014-2020 IPA II lays down that *‘operations under cross-border cooperation programmes shall be selected by the contracting authority through calls for proposals covering the whole eligible area’*; the subsequent Article 70(3) reads: *‘participating countries may also identify operations outside call for proposals. In that event, the operations shall be specifically mentioned in the cross-border cooperation programme referred to in Article 68.’* By analogy with the terminology of the 2007-2013 IPA CBC legal framework, these operations mostly identified outside calls for proposals are commonly known as ‘strategic projects’.

During the preparation of the 2014-2020 IPA II CBC programme documents no strategic projects were identified therein. However, during the programme implementation period, the CBC programme documents envisaged the possibility of devoting part of the financial allocation of the programme to one or more strategic projects. The identification of strategic projects would depend on whether the CBC Beneficiaries prove to have a genuine interest in addressing specific strategic priorities, which clearly follow common objectives and entail a clear cross-border impact.

The table below shows to which extent operations outside calls for proposals are specifically mentioned in the eight programme documents, adopted by Commission implementing decision in December 2014 and November 2016, for IPA II CBC between beneficiaries.

| **No** | **Programme** | **Yes/No** | **Comment** |
| --- | --- | --- | --- |
| 1 | AL-KS[[1]](#footnote-1)\* | Yes (cf. section 5) | No strategic project identified in the document.  Selection through specially tailored calls for this type of projects or selection outside calls for proposals, in either case under the thematic priorities dealing with environment and tourism. |
| 2 | BA-MNE | Yes (cf. section 5) | No strategic project identified in the document.  Selection through specially tailored calls or outside calls for proposals, in either case under the thematic priority dealing with environment. |
| 3 | KS-MK | Yes (cf. section 5) | No strategic project identified in the document.  Selection through specially tailored calls or outside calls for proposals, in either case under the thematic priority dealing with environment. |
| 4 | MK-AL | **No** (cf. section 5) | No strategic project identified in the document. No call for strategic projects is envisaged under the programme. |
| 5 | MNE-AL | Yes (cf. section 5) | No strategic project identified in the document.  Selection through specially tailored calls or outside calls for proposals, in either case under the thematic priority dealing with environment. |
| 6 | MNE-KS | Yes (cf. section 5) | No strategic project identified in the document.  Selection through specially tailored calls or outside calls for proposals for any thematic priority. |
| 7 | RS-BA | Yes (cf. section 5) | No strategic project identified in the document.  Selection through specially tailored calls or outside calls for proposals, in either case under the thematic priority dealing with environment.  Linkage with macro-regional strategies. |
| 8 | RS-MNE | Yes (cf. section 5) | No strategic project identified in the document.  Selection through specially tailored calls or outside calls for proposals.  Linkage with macro-regional strategies. |
| 9 | RS-MK | Yes (cf. section 5) | No strategic project identified in the document.  Selection through specially tailored calls or outside calls for proposals. Strategic projects may relate to any of the two thematic priorities under this programme, whereas the biggest potential lies within the priority 2 (encouraging tourism and cultural and natural heritage).  Linkage with macro-regional strategies. |

In short, **none** of the programme documents refers to any specific project that will be funded outside a call for proposals; or in other words **no** strategic project has been identified in the text of the documents. However, all programme documents, with the exception of the one related to MK-AL[[2]](#footnote-2), have envisaged the selection of strategic projects either through specially tailored calls or outside calls for proposals. Furthermore, the programmes RS-BA, RS-MNE and RS-MK have established a link between future strategic projects and the objectives of the macro-regional strategies for the Danube Region and the Adriatic and Ionian Region.

# 3. LESSONS LEARNT FROM IPA

In accordance with the provisions of Article 95 of the IPA Implementing Regulation (718/2007), although calls for proposals are preferential for the programme implementation, the cross-border programme structures were also allowed to directly agree on one or more projects to be funded outside of these calls. Such projects were often referred to as “strategic projects” and are, by definition, identified and supported by the JMC, and then proposed for financing to the contracting authorities of the programme, which, with the exception of all programmes where Croatia was a participating country, were the Delegations of the European Union (DEUs) in the Western Balkans (WB).

## 3.1 Definition

Strategic projects are defined as those which have a significant cross–border impact throughout the programme area and which will, on their own or in combination with other strategic projects, achieve in particular a specific objective put forward in the CBC programme document. A strategic project aims to achieve, in an extraordinarily integrative way, a significant and long lasting impact by improving peoples’ lives on the whole or large parts of the eligible programme area. It involves the main stakeholders usually responsible for the type of policy or domain in which the project is contextualized. It is beyond the scope of projects that could be funded under calls for proposals. More information and discussion on the definition of the strategic projects can be found in Annex 5: Analysis of the responses to the questionnaire, p 5-7.

“Joint strategic projects” are also defined as those which have a significant cross–border impact throughout the programming area and which will, on their own or in combination with other strategic projects, substantially contribute to the achievement of major objectives at thematic priority level.

A project may be considered “strategic” because, even though it affects a limited territory in the programme area, it rebuilds or completes networks or deals with matters of general interest to the entire area, thus encouraging overall cooperation among the communities.

## 3.2 Identification

In order to assess whether a project is strategic or not, and then facilitate its development, stakeholders need to recognise the importance of the following three pillars:

1. *Policy / Programme pillar*

Be Coherent with the programme strategy, as well as with national and regional policies.

1. *Geographical pillar*

* Have real impact on the cross-border cooperation area
* Bring tangible and visible results
* Be sustainable

1. *Action pillar*

* Built strong partnerships
* Capitalise on experiences
* Be “innovative”
* Be “holistic”/ interdisciplinary
* Be communicated properly

These three pillars can be further analysed to a number of important dimensions as it was discussed and illustrated in the analysis of the responses to the questionnaire, p 13-15 (Annex 5).

The procurement of these strategic projects was carried out by service, supply or works tenders, for which the contracting authorities required terms of reference and/or technical specifications. The OSs with the assistance of the Joint Technical Secretariats (JTSs) and line Ministries were in charge of gathering and even elaborating these indispensable tender documents, while the respective contracting authorities would tender and contract projects based on the standard PRAG procedures.

Several programmes used the option of financing strategic projects in the lifespan of 2007-2013 IPA more or less successfully. However, while gathering information on the strategic projects implemented, the entire process does not appear to have received the right communication, publicity and visibility treatment as it has been rather challenging to obtain relevant information through public means.

## 3.3 Experience so far

Based on an earlier request by the Commission (prior to the 3rd CBC Forum held in June 2015), the CBIB+ project team tried to collect information (mainly via communication with the OSs, JTSs and DEUs) on the implementation of strategic projects under the 2007-2013 CBC programmes. For this purpose, with great perseverance and many clarifications during months, the CBIB+ project team put together a list (please see Annex 6) that could illustrate what had happened with the strategic projects during the 2007-2013 financial cycle. The main findings of such an exercise, which were also validated through the performed analysis (Annex 5), can be summarised as follows:

* Scarce visibility: Information regarding strategic projects, their selection and implementation was neither available on the relevant programme websites, nor on the websites of the relevant DEUs. The process of selection and implementation of strategic projects throughout the WB did not seem to have received the visibility and publicity required. It appeared that the selection of these projects is the result of political pressure and influence.
* These operations were, in most cases, treated as simple procurement procedures for services, supplies and works. The achievement of results and objectives was not monitored, or when monitored only on an output basis. The outcomes and impact of these projects were not always reported in, for instance, the CBC annual implementation reports.
* Project fiches for strategic projects were not easily available and the revisions of the programme documents were not made in order to include information on strategic projects at any stage.
* The JTS was hardly involved in their implementation (i.e. preparation, monitoring, technical assistance, reporting). The JTS has practically been excluded from any kind of follow up on these projects.
* There was not any harmonised approach on identifying and selecting strategic projects in the region.
* In most cases the amount of left-overs from the calls for proposals was steering the identification and selection of a strategic project that would have to match this amount.
* Channels of communication between the stakeholders for the identification and selection of questionnaires remained quite rigid and formalised. There was very little informal exchange between the stakeholders.

In view of these shortcomings, the following **recommendations** become instrumental:

* The decision to implement a strategic project should be made taking into account the acute, pressing needs of the programme area, rather than institutional interests at central level or a fast track to spend funds left over from calls for proposals and whose contracting deadline is so close that they seriously risk remaining uncommitted. This type of projects should be identified and developed during the first and/or second year of programme implementation in order to avoid delays and plan the necessary financial allocations, but also ensure the maturity of the projects for selection.
* If there is an intention to implement strategic projects under a programme, an information campaign targeting relevant stakeholders (e.g. on line ministries, municipalities, public utility companies, development agencies, etc.) should be undertaken in a timely and quality manner; more specifically, they need to be familiarized in due time with the programme objectives and technical requirements (e.g. in case of infrastructure investment projects: complete technical documentation, including all the relevant permits necessary to ensure the feasibility of works) so that the projects would be ready for tender as soon as they are approved by the JMC, and endorsed by the Commission.
* All programme websites must contain information on strategic projects, in the same way that projects financed through calls for proposals are publicised, including a clear description of the project, detailing objectives, amount, period of implementation, attained results, etc.
* The staff of the JTS should be involved in monitoring strategic projects and/or assisting the OSs in the preparation of the required documentation.
* The cross-border character/dimension of these ventures should be stressed and argued in the decision of the JMC, with all members from the participating countries recognising the merit to undertake the action for the indisputable and well-balanced benefit of the population on both sides of the eligible area.
* The impact from the implementation of the project and its contribution in attaining the programme objectives should be stressed.
* Procedures for identification and selection of strategic projects should be proposed.

# 4. IDENTIFICATION AND SELECTION

## 4.1 Project identification

Project identification refers to the process of creating project concepts (ideas). Programmes’ stakeholders can take a bottom-up and/or a top-down approach referring always to project identification. These approaches should always be pro-actively supported by the managing structures.

**4.1.1 Bottom-up approach**

The beneficiaries are coming up with project ideas, based on general information that has been presented but also on any eventual advice that has been provided by the operating structure(-s) directly or via the Joint Technical Secretariat, etc. Two issues are very crucial for the OSs, concerning the thematic priorities and specific objectives of the programme:

* A sufficient number of submitted project ideas; and also
* The quality of the project ideas submitted.

***Pro-active approach***

This approach is ensuring the identification of the strongest project ideas and partnerships. It should not be underestimated

* The identification of the relevant target groups
* The promotion of the programme and its benefits to the identified target groups, through certain pro-active actions.

These pro-active actions should be the combination of the following:

* Organisation of relevant seminars, workshops, conferences, fairs, etc, in the eligible areas where the target groups are located;
* Information available through the website of the OSs, JTS and DEUs, beside the deliverance of any available full info package (in hard and e-copy) to the beneficiaries

**4.1.2 Top-down approach**

This approach is recommended to be taken when there are fears for imbalances between the different thematic priorities and specific objectives as far as the submitted application project ideas are concerned. Following these imbalances there could be a risk that the budget allocated to each thematic priority will not be spent and thus not all programme objectives/targets can be achieved. Under this approach, thematic seminars on the relevant topics covering relevant thematic priorities and specific objectives should be held.

## 4.2 Project development

It refers to the process of supporting the development of selected project concepts (ideas) to final application. In many programmes the process of the project development is a combined assessment in an interactive way through a direct dialogue with the relevant programme structures and the project beneficiaries. This very often includes some kind of re-selection/elimination, which makes project development and assessment very closed interlinked (the so-called project re-engineering).

## 4.3 Project assessment

The primary purpose of a project assessment is always to review the current state of a project, uncover areas of potential problems and weaknesses in order to make recommendations that will address these areas and significantly increase the likelihood of project success in the future prior to its final selection.

## 4.4 Identification and selection

Against the foregoing legal background and introduction, the provisions spelled out in the programme documents and the lessons learnt from experience under the 2007-2013 financial cycle, the programme authorities — in all cases except under one programme — have planned the possibility to fund strategic projects. The identification of these projects will follow two different, transparent paths, namely:

1. The launch of special call for project ideas (using the Annex 2 as application form), which could aim at either:
2. The selection of one or more mature operations that can be funded given their relevance and readiness; OR
3. The selection of operations that have to be further developed and/or operations whose supporting documents have to be completed.
4. Upon initiative of a line Ministry or a regional or local authority, but in the latter case with the support of a line Ministry, the adoption of a decision for funding outside a call for proposals, approved by the JMC of the programme and endorsed by the relevant contracting authority, and the Commission, when the latter is not the contracting authority.

Depending on the method used to identify strategic projects, the tables below summarise the steps to be taken and the responsible stakeholder undertaking them.

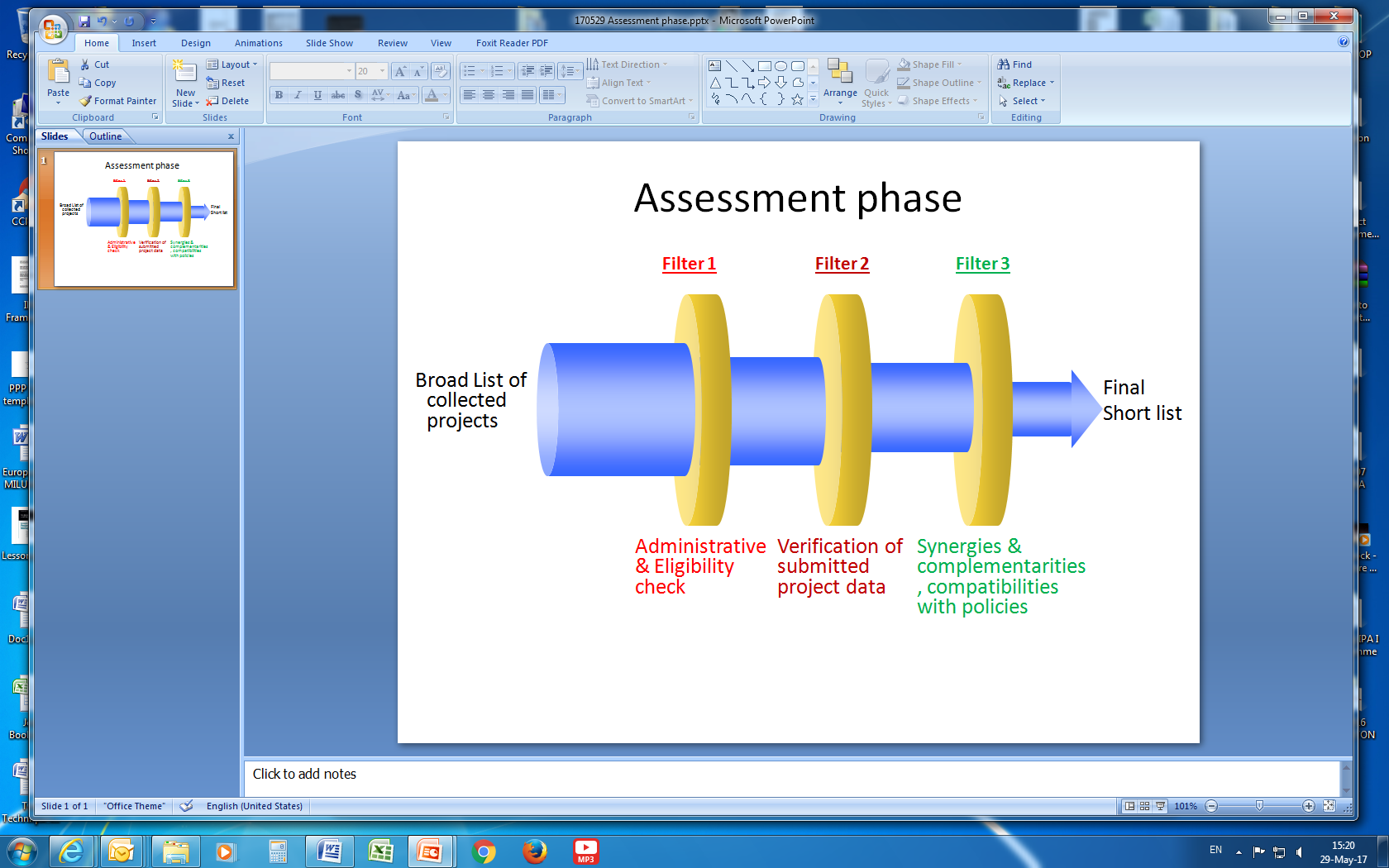
| **Special call for project ideas** | |
| --- | --- |
| ***Steps[[3]](#footnote-3)*** | ***Stakeholders’ involvement*** |
| 1. Consultation and confirmation of the strategic approach | The OSs along with the JMC |
| 1. Proposal of the thematic priorities, specific objectives, target beneficiaries and specific focus of the call for project ideas | The OSs assisted by the JTS |
| 1. Informal consultation/discussion on the proposal | OSs and the contracting authority (when the latter is not the Commission, the relevant DEU must be also consulted) |
| 1. Approval of the thematic priorities, specific objectives, target beneficiaries and specific focus of the call for project ideas | JMC decision |
| 1. Proposal of an application form (using the annex 2 ‘standard fact sheet’) | The OSs and the contracting authority, supported by the JTS |
| 1. Approval or endorsement of the application form | The relevant DEU |
| 1. Publication of the call for project ideas | The contracting authority |
| 1. Collection of project ideas (using the annex 2 ‘standard fact sheet’) from local, regional and central authorities, as well as from partnerships of these authorities with civil society organisations | The OSs assisted by the JTS |
| 1. Analysis and classification of the project ideas, based on a ranking list (using the Annex 1 ‘ranking table’) | The OSs assisted by the JTS |
| 1. Assessment of every project idea (using the Annex 3 ‘assessment grid’) with a score of at least 70 % of the possible maximum | The OSs assisted by the JTS |
| 1. Selection of the most suitable project idea | The OSs along with the JMC |
| 1. Preparation of a request to the Commission for the approval of the selected project along with an amendment of the programme | The OSs, assisted by the JTS |
| 1. Endorsement of the request and adoption of the programme amendment | The Commission and the IPA Committee |
| 1. Depending on the type of procurement, elaboration or review of the terms of reference and/or technical specifications | The OSs, assisted by the line Ministries and the JTS, and in consultation with the contracting authority |
| 1. Approval or endorsement of the tender dossier | The relevant DEU |
| 1. Publication of the tender | The contracting authority |

|  |  |
| --- | --- |
| **Selection outside a call for proposals** | |
| ***Steps*** | ***Stakeholders’ involvement*** |
| 1. Consultation and confirmation of the strategic approach | The OSs along with the JMC |
| 1. Collection of project ideas (using the annex 2 ‘standard fact sheet’) from local, regional and central authorities, as well as from partnerships of these authorities with civil society organisations | The OSs assisted by the JTS |
| 1. Analysis and classification of the project ideas, based on a ranking list (using the Annex 1 ‘ranking table’) | The OSs assisted by the JTS |
| 1. Assessment of every project idea (using the Annex 3 ‘assessment grid’) with a score of at least 70 % of the possible maximum | The OSs assisted by the JTS |
| 1. Selection of the most suitable project idea, | Proposal by the OSs, JMC approval |
| 1. Preparation of a request to the Commission for the approval of the selected project along with an amendment of the programme | The OSs, assisted by the JTS |
| 1. Endorsement of the request and adoption of the programme amendment | The Commission and the IPA Committee |
| 1. Depending on the type of procurement, elaboration or review of the terms of reference and/or technical specifications | The OSs, assisted by the line Ministries and the JTS, and in consultation with the contracting authority |
| 1. Approval or endorsement of the tender dossier | The relevant DEU |
| 1. Publication of the tender | The contracting authority |

Projects of a preparatory character, such as the compilation of project documentation, cannot be considered strategic projects to be selected outside a call for proposals. Only “ready-to-go” institutional initiatives, which clearly target joint challenges at both sides of the border and produce sustainable and joint solutions, are suitable strategic projects to be selected outside calls for proposals.

Out of the above mentioned steps, those bearing the Nos 8, 9, 10 and 11 for calls for project ideas and the Nos 2, 3, 4 and 5 for operations selected outside a call for proposals are in nature identical and deserve some further explanations.

The collection of project ideas will require a serious effort from the OSs to find out what sort of projects the local, regional and national authorities may have developed to a level of detail that would make them mature for tender, while the implementation would have a potential cross-border impact in the programme eligible area. This information must be gathered via the tailored or targeted calls (ref. Annex 2), along with, if required, an announcement through media. The project ideas thus collected will be grouped by thematic priority in a long, broad list. This list will be filtered down three times as illustrated in the figure below:



The OSs, with the assistance of the JTS, will check whether the projects include all those pieces of information which would make them administratively compliant (e.g. deadline respected, application form completed) and eligible for selection, that is, whether the projects fall under the thematic priorities and specific objectives agreed. Following this sort of administrative and eligibility check step, the OSs will have to carry out the verification of the submitted info/data for each project via a checklist. Finally, the OSs will check the relevance, complementarity and sustainability (contribution to strategies at different levels from macro-regional to local), as well as the potential impact of the project in the eligible area.

Following the perusal of the returned questionnaires and the application of the three rounds of filters, the shortlisted ideas will be ranked in accordance with the scores yielded by the criteria displayed in the table within Annex 1. The selection criteria are as follows:

* CBC impact on both sides of the programme area, that is the CBC dimension;
* number of population benefiting from the intervention or area covered;
* maturity, readiness for implementation;
* relevance to thematic priorities and/or macro-regional strategies;
* complementarity and sustainability (link with regional or other strategies for development of the bordering areas);
* complexity;
* cost-effectiveness (value for money);
* risks;
* level of beneficiary financial contribution (co-financing).

The figure below describes the assessment exercise for the selection of strategic projects so far:

Targeted call, projects from line Ministries

Broad list of potential strategic projects

Administrative check

Verification of project info/data

Eligibility check

Weight (1 or 1.5)

Scores (1-5)

Criteria (8)

Ranking list of projects

Total Score

Furthermore, these projects must have a complete tender documentation and, in case of infrastructure investments, apart from the necessary environmental impact assessments, all the necessary permits for location and construction. This is why the appropriate verification of project data and supporting documents is crucial for selection.

The OSs must be convinced that the beneficiaries technically possess everything necessary to tender services, supplies and/or works with no killing assumptions that could jeopardise the feasibility of the operation. In the case of infrastructural or construction works, the OSs must certify that the beneficiaries have:

1. Proof of ownership or long term lease (at least for 10 years after the start of the operation) of the land/assets where the works are to be executed;
2. Approved/certified detailed work design or otherwise a statement by the relevant national institution(s) confirming that the national legislation(s) do/does not require the design’s approval for this type of works;
3. A positive decision on environmental impact assessment or otherwise a statement from the relevant public authority(ies) that the latter assessment(s) are/is not needed for the specific project activities;
4. All necessary legal authorisations (e.g.: location and construction permits);
5. An indicative bill of quantities or a detailed breakdown of prices issued not earlier than 2 years prior to the assessment – calculated in euro.

STEP 2

In the end, the OSs, along with the JTS (if so decided), should carry out a field visit and deep interview with the beneficiaries of the operation with the highest score wherever they feel that the venture may have real prospects of being funded under the CBC programme. Based on a field assessment and the comprehensiveness of supporting documents, the OSs will classify the already ranked selected project ideas according to the figures below that resemble the two-dimension Eisenhower principle, involving four groups of project ideas.

These four “project ideas” groups are:

* **Group 1**: High CBC impact, simple, with low risk and mature projects that could start immediately
* **Group 2**: Non mature but non-complex projects, involving low risk, but still with high CBC impact, that need further development
* **Group 3**: Mature but complex, risky and having low CBC impact projects, that need further simplification
* **Group 4**: High degree of complexity, involving high risk, with low CBC impact and low maturity projects, that require restructuring

CBC Impact

Maturity

Group 4: Restructure

Group 2: Develop

Group 3: Simplify

Group 1: GO

Only the projects assessed as having high CBC impact and high maturity would be suitable for selection (light green quadrant).

Group 2: Develop

Group 1: GO

Group 4: Restructure

Group 3: Simplify

Risk

Maturity

Only the projects assessed as having low risk and high maturity would be suitable for selection (light green quadrant).

In case of complex strategic projects, involving “difficult” infrastructure activities or requiring a sequence of interdependent activities that could make the implementation of the project quite cumbersome, the OSs will further classify the project ideas according to the figure below:

Complexity

Group 4: Restructure

Group 2: Develop

Group 3: Simplify

Group 1: GO

Maturity

Only the projects assessed as having a low complexity and high maturity would be suitable for selection (light green quadrant).

Scoring System

In addition, as shown in Annex 1, the OSs, while selecting the project ideas, should make use of a ranking table of project ideas, scored according to some pre-defined and non-discriminatory criteria similar to the risk assessment presented for the workload analysis of the JTSs. This table will comprise of the following criteria (three criteria display a weight factor higher than one):

* CBC Impact (weight 1.5)
* No of population benefiting, or area covered
* Maturity - Readiness for implementation (weight 1.5)
* Relevance to thematic priorities and/or macro-regional strategies
* Complementarity and sustainability (contribution to national, regional and/or local strategies)
* Complexity (weight 1.5), (*if applicable*)
* Cost-effectiveness (value for money)
* Risks (weight 1.5)
* Level of beneficiary financial contribution

The suggested scores for each of the proposed criteria are:

* High: 5
* Medium: 3
* Low: 1

In case the OSs opt for applying only three basic parameters (CBC impact, maturity and complexity) when selecting a project, a 3D model can be used as in the figure below.

Once the list with the selected project ideas is established, the assessment exercise, should take place using the Annex 3 – assessment grid. This exercise includes:

* A risk assessment;
* A maturity assessment;
* A consideration on the CBC deficits, and
* A complexity assessment.

### 4.4.1 Risk assessment

It consists of the determination of quantitative or qualitative risks related to concrete actions of a project. An easy way to reduce a project risk is always to have less ambitious goals.

Items in the project plan that are important and that are uncertain of success should be considered as risk areas and given special attention. Risk should be associated with areas where the scope is not well defined or is subject to change. An unproven or immature technical approach, or known technical difficulty or complexity will increase project risk. Ambitious goals always result in risk. Unfamiliarity with the process, or inexperienced personnel, constitutes project risks.

Exterior organizational dependencies create project risks. Incomplete planning or optimistic cost or schedule goals create risk. An organization that had previously problems in executing projects will be likely to repeat the same mistakes.

These problem areas should be understood and managed as significant project risks. These project risks must be counteracted by specific mitigating management initiatives.

### 4.4.2 Maturity assessment

The ultimate value of maturity assessment can only be realized in the context of an overall project improvement.

Maturity assessment by itself has value. It provides a model for best practice of project implementation process, raises project management awareness and at the same time motivates strategic planning. To obtain maximum value it is necessary for the beneficiary to know well its current project process, learn this process best practice/s in the maturity model and be able to effectively prioritize, plan and implement improvement opportunities.

### 4.4.3 Considerations on the CBC deficits

On this particular topic, it is highly advisable to take stock of the final report of the evaluation commissioned by DG NEAR on the 2007-2013 IPA CBC programmes (available at <https://ec.europa.eu/neighbourhood-enlargement/tenders/monitoring-and-evaluation_en>).

The evaluators proposed a definition of cross-border cooperation that the assessment to be carried out by the OSs must keep in mind, to wit: “joint implementation of activities by partners resulting in the intensification of cross-border links and sustainable cross-border partnerships and/or the removal of cross-border obstacles to sustainable socio-economic development”. The emphasis must be on implementation and impact and not so much on project development and focus. The selection of any strategic project must be done in relation to the extent to which it fulfils the conditions referred to in the definition. The project must make a convincing case that, if successfully implemented, it could contribute to all the aspects included in the definition. Any project idea which is not directed towards this fundamental CBC objective should be excluded, irrespective of whether it meets any thematic priority of the programme, as it is a development project not a cross-border project. Furthermore, it is unlikely to have a tangible outcome, multiplier effects or sustainable results, irrespective of any other merits.

But most importantly the assessment on the CBC deficit has to be fully positive on the conditions established by Article 70 of the Framework Agreement that stipulates: the project ideas selected under the cross-border programme must:

* Take place in the specific programme area of the two participating Beneficiaries or in the specific programme area of one of them;
* Have cross-border impacts and benefits in parts of the programme area of the two participating Beneficiaries;
* Foresee cooperation of the cross-border partners in:
  + joint development of the project idea (design and fulfilment of the standard fact sheet);
  + joint implementation (coordination of activities across the border and implementation of most of them together and not as independent, unrelated, mechanically reproduced and country-bound initiatives);
* Foresee cooperation of the cross-border partners in either:
  + joint staffing (staff on both sides of the border act as one project team, e.g. some staffers carry out their duties for all entities in the partnership: procurement, financial management, overall coordination, training planning, etc.); or
  + joint financing (activities are financed by the budgets of the cross-border partners);
  + or both joint staffing and financing.

Project ideas meeting all the above mentioned requirements should not have any CBC deficit.

### 4.4.4 Complexity assessment

Complexity is the extent to which a project involves a large number of activities (sometimes not interconnected), and/or a large number of people involved, to be coordinated and/or interfaced and/or dependent from many external factors not directly part of the project (licenses, permissions, etc.).

Projects have two primary areas for complexity, namely:

* the technical aspects (or scope) of the output/s with the degree of difficulty in delivering the output/s and
* the “business” aspects (or scope), (such as schedule/time-plan, cost, risk, communications, etc.).

Whereas the technical scope focuses on creating and delivering the planned output, it is often the “business” scope that adversely affects the output through decisions, suitable or unsuitable.

Some elements of complexity may be addressed through risk management schemes, however, it is recommended to establish the degree of complexity that must be addressed before (during the planning process – at project generation stage if it is possible) and during the implementation of any project. Highly complex projects require special consideration during initial planning to anticipate the approach taken and the possible results if something is not done or could not be done. **Whereas risk management addresses failure and its consequences, complexity focuses more on the degree of difficulty to implement a project**.

Understanding and addressing “complexity” in projects is the key to improve planning and project implementation. The effectiveness of the project relies on taking the simplest approach that meets the requirements while avoiding complex situations, both technical and managerial, which can impede future project progress.

# 5. PROCUREMENT OF SERVICES, SUPPLIES AND WORKS

Irrespective of the path used by the contracting authority to fund strategic projects, there must not be any doubt on the full technical readiness of the beneficiaries to tender services, supplies and/or works without delay. Therefore, depending on the nature of what has to be procured, the OSs will have to prove to the JMC and later to the contracting authority (and the DEU, when the contracting authority is not a body of the Commission) that the beneficiaries of the strategic project have:

|  |  |  |
| --- | --- | --- |
| **Type of procurement** | | |
| Respected the general principles:   * Equal access for candidates and tenderers * Clearness and non-discrimination * Proportionality | | |
| **Service**  (technical assistance, administrative and technical capacity building, studies, research, provision of know-how, provision of training, etc.) | **Supplies**  (purchase, leasing, rental or hire, with or without option to buy, of products) | **Works**  (either the execution, or both  the execution and design, of works or the realization, by whatever means, of a work corresponding to the requirements specified. A 'work' is the outcome of building or civil engineering works taken as a whole that is sufficient of itself to fulfil an economic or technical function) |
| **Terms of reference:**   1. Background information 2. Contract purpose and expected results 3. Assumptions and risks 4. Scope of the work 5. Logistics and timing 6. Requirements (personnel, office premises, equipment, incidental expenditure) 7. Reports 8. Monitoring and evaluation | **Technical specifications:**   * Only technical requirements of the supplies (quality levels, environmental performance, accessibility, levels of conformity assessment, fitness for use, safety and manuals of instructions, packaging, marking and labelling, production procedures and measures) * Well-defined (always minimum requirements) * Neutrality (no brand names or types that could limit competition) * References to standards/regulations * Will serve as the evaluator’s grid * Rule of origin   Where applicable, they also specify conditions for delivery and installation, training and after-sales service. | **Technical specifications:**   * Only technical requirements of the works (quality levels, environmental performance, accessibility criteria, levels and procedures of conformity assessment, fitness for use, safety and manuals of instructions, packaging, marking and labelling, production procedures and measures and finally the procedures relating to quality assurance and the rules relating to design and costing, the test, inspection and acceptance conditions for works and methods or techniques of construction and all the other technical conditions which the beneficiaries may require under general or specific regulations in relation to the finished works and to the constituent materials or parts) * Well-defined (always minimum requirements) * Neutrality (no brand names or types that could limit competition) * References to standards/regulations * Will serve as the evaluator’s grid * Rule of origin   Information meetings or a site visit are recommended |

According to section 2.6 of PRAG, *‘terms of reference (for service contracts) and technical specifications (for supply and works contracts) give instructions and guidance to contractors to submit a tender which responds to all technical and administrative requirements, and later to serve as the contractor’s mandate during project implementation. The terms of reference or technical specifications are included in the tender dossier and will become an annex to the resulting contract.*

*Thorough preparation of the terms of reference or technical specifications is extremely important for the ultimate success of the project. It is important to ensure that the project has been properly conceived, that the work is carried out on schedule and that resources will not be wasted. Greater effort during project preparation will save time and money at later stages of the project cycle.’*

Given the complexity of these documents, beneficiaries may need in numerous cases external technical assistance to prepare them.

Please note that the terms of reference and the technical specifications may not be disclosed to any third party and must be kept confidential until they are made available to the tenderers simultaneously as part of the procedure.

# 6. MONITORING

Both the contracting authority and the OSs will be in charge of monitoring these operations. The contracting authority must ensure that strategic projects are implemented according to plan and ToR/technical specifications, as well as that the requests for payment are duly substantiated. The OSs are also expected to monitor the execution of services, supplies and works in ‘strategic projects’. This is compliant with the provisions of Article 79(6e) of the FWA which stipulates that the JTS may be responsible to ‘prepare, conduct and report on monitoring visits to cross-border cooperation operations’. This is likewise the basis for the programme monitoring entrusted to the JMC, which will ‘examine relevant findings and conclusions as well as proposals for remedial follow-up actions stemming from the on-the-spot checks, monitoring and evaluation conducted by the contracting authority, the JTS and/or external monitors and evaluators’. Monitoring is one of the activities eligible for funding under the thematic priority ‘technical assistance’ in each of the CBC programmes and occupies a place of honour in the JTS Manual, irrespective of whether the actions could have been selected through or outside a call for proposals.

Monitoring of service, supplies and works contracts should be focused on outputs and outcomes as specified in the terms of reference and technical specifications. The monitors will above all pay attention and report accordingly on whether intellectual outputs, physical equipment and constructions were delivered according to the technical requirements and foreseen schedule, currently perform their functions properly and are being exclusively used for the purpose they were procured.

Monitoring of complex work contracts should count on the additional assistance of technical supervisors specifically hired for the purpose through a separate tender procedure. Their selection would have been done prior to the award of any contract for the execution of works.

# 7. PUBLICITY AND VISIBILITY

Articles 23.1 and 24.3 of the FWA reminds that the IPA II beneficiary, in the case of the CBC programmes, particularly the OSs, ‘commits towards increased transparency and accountability in the delivery of assistance, including by publicly disclosing information on assistance volume and allocation, ensuring that data is internationally comparable and can be easily accessed, shared and published’. The OSs ‘shall agree on a coherent plan of visibility and communication activities to make available, and actively publicise information about programmes and actions under IPA II assistance’. Furthermore, Article 79.6.h of the FWA grants onto the JTS the ‘responsibility of planning and implementing information campaigns and other activities related to raising public awareness on the CBC programme, including the publication of publicity material and the maintenance of the programme’s website’.

In relation to strategic projects funded by the 2007-2013 CBC programmes, all these obligations seem to have been somehow neglected. Under the IPA II CBC programmes, OSs should regularly liaise with the corresponding project managers of the contracting authorities in order to keep updated on the state of play with the implementation of strategic projects. They should also directly liaise with the contractors to follow up the dynamics of project implementation and publicise the main milestones in the process. In order to boost the visibility of strategic projects, the OSs should ensure the following:

* The communication and visibility plan of the CBC programme includes measures to promote their publicity and visibility;
* The programme websites should have a dedicated window to them with news about the implementation progress and statements from target groups and representatives of the final beneficiaries;
* The identification of interlinks with other EU or Member States initiatives, as well as with the programmes of other donors, financial institutions and international agencies;
* The inclusion of such projects amongst the success stories whenever they meet the standards for it;
* The continuous posting of news on them over the social networks;
* In the case of works, the organisation of an event at their start and when the facility is completed an inauguration ceremony;
* The regular reporting on its implementation in programme newsletters;
* The compilation of an article to be offered to TV and radio stations as well as to newspapers about a personal story benefiting from the implementation of the project.

# ANNEXES

## 1. Ranking Table

## 2. Standard fact sheet for a strategic project

## 3. Top project ideas - assessment grid

## 4. Questionnaire for the assessment of 2007-2013 IPA CBC strategic projects

## 5. Analysis report: questionnaires on 2007-2013 IPA CBC strategic projects

## 6. List of strategic projects under the 2007-2013 IPA CBC programmes

1. \*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence. [↑](#footnote-ref-1)
2. The programme MK-AL explicitly excludes the use of programme funds to finance strategic projects at all. [↑](#footnote-ref-2)
3. The number of steps might seem to the reader long and time consuming. However, they represent a simple list of all the administrative phases that have to be completed prior to the publication of a tender to implement a strategic project. [↑](#footnote-ref-3)